

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

A

W-02327A
Antelope Run Water Company
301 North Garden Avenue
Sierra Vista, AZ 85635

RECEIVED
APR 17 2008
AZ CORP COMM
Director Utilities

ANNUAL REPORT

FOR YEAR ENDING

12	31	2007
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FOR COMMISSION USE

ANN 04	06
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PROCESSED BY:

4.17.08

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Antelope Run Water Company

Mailing Address 301 North Garden Avenue

(Street)

Sierra Vista

(City)

Arizona

(State)

85635

(Zip)

(520)-458-3209

Telephone No. (Include Area Code)

(520)-439-9717

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address nfwatkins@theriver.net

Local Office Mailing Address Same as above

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Nathan Watkins

(Name)

Manager

(Title)

301 North Garden Avenue

(Street)

Sierra Vista

(City)

Arizona

(State)

85635

(Zip)

(520) 458-3209

Telephone No. (Include Area Code)

(520) 439-9717

Fax No. (Include Area Code)

(520)-266-1976

Pager/Cell No. (Include Area Code)

Email Address nfwatkins@theriver.net

On Site Manager: Same as above

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Antelope Run Water Company

(Name)

301 North Garden Avenue
(Street)Sierra Vista
(City)Arizona
(State)85635
(Zip)

(520) 458-3209

Telephone No. (Include Area Code)

(520) 439-9719

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Not Applicable

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.**OWNERSHIP INFORMATION**

Check the following box that applies to your company:

☒ **Sole Proprietor (S)**☐ **C Corporation (C) (Other than Association/Co-op)**☐ **Partnership (P)**☐ **Subchapter S Corporation (Z)**☐ **Bankruptcy (B)**☐ **Association/Co-op (A)**☐ **Receivership (R)**☐ **Limited Liability Company**☐ **Other (Describe)** _____**COUNTIES SERVED**

Check the box below for the county/ies in which you are certificated to provide service:

☐ **APACHE**☒ **COCHISE**☐ **COCONINO**☐ **GILA**☐ **GRAHAM**☐ **GREENLEE**☐ **LA PAZ**☐ **MARICOPA**☐ **MOHAVE**☐ **NAVAJO**☐ **PIMA**☐ **PINAL**☐ **SANTA CRUZ**☐ **YAVAPAI**☐ **YUMA**☐ **STATEWIDE**

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights	350		350
304	Structures and Improvements	2,014	1,898	116
307	Wells and Springs	29,915	14,352	15,563
311	Pumping Equipment	52,449	17,464	34,985
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	3,167	2,502	665
331	Transmission and Distribution Mains	124,556	89,812	34,744
333	Services			
334	Meters and Meter Installations	4,520	3,560	960
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	216,971	129,588	87,383

This amount goes on the Balance Sheet Acct. No. 108



COMPANY NAME: Antelope Run Water Company

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights	350		
304	Structures and Improvements	2,014		33
307	Wells and Springs	29,915		851
311	Pumping Equipment	52,449		3,239
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	3,167		0
331	Transmission and Distribution Mains	124,556		7,337
333	Services			
334	Meters and Meter Installations	4,520		113
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	216,971		11,573

This amount goes on the Comparative Statement of Income and Expense _____
Acct. No. 403.

BALANCE SHEET

Acct .No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$4,065	\$634
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable		92
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$4,065	\$726
	FIXED ASSETS		
101	Utility Plant in Service	\$203,500	\$216,971
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	(118,015)	(129,588)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$85,485	\$87,383
	TOTAL ASSETS	\$89,550	\$88,109

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$7,964	\$4,558
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies	14,114	14,114
235	Customer Deposits		
236	Accrued Taxes	604	576
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$22,682	\$19,248
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction	48,870	47,950
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$48,870	\$47,950
	TOTAL LIABILITIES	\$71,552	\$67,198
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings		
218	Proprietary Capital (Sole Props and Partnerships)	17,998	20,911
	TOTAL CAPITAL	\$17,998	\$20,911
	TOTAL LIABILITIES AND CAPITAL	\$89,550	\$88,109

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$48,478	\$52,528
460	Un-metered Water Revenue		
474	Other Water Revenues	225	480
	TOTAL REVENUES	\$48,703	\$53,008
	OPERATING EXPENSES		
601	Salaries and Wages	\$7,200	\$7,200
610	Purchased Water		
615	Purchased Power	16,382	16,104
618	Chemicals		
620	Repairs and Maintenance	12,473	4,606
621	Office Supplies and Expense	11,272	1,210
630	Outside Services	1,110	1,401
635	Water Testing	4,959	630
641	Rents	1,100	1,200
650	Transportation Expenses		1,500
657	Insurance – General Liability		
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	482	132
403	Depreciation Expense	11,335	11,573
408	Taxes Other Than Income	1,815	1,031
408.11	Property Taxes	2,372	3,058
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$70,500	\$49,645
	OPERATING INCOME/(LOSS)	\$(21,797)	\$3,363
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		450
427	Interest Expense		
	TOTAL OTHER INCOME/(EXPENSE)	\$	\$
	NET INCOME/(LOSS)	\$(21,797)	\$2,913

COMPANY NAME: Antelope Run Water Company

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End

\$ 6,290.05

Meter Deposits Refunded During the Test Year

\$ 1,435.01

COMPANY NAME: Antelope Run Water Company	
Name of System	ADEQ Public Water System Number (if applicable) 02094

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-632904	20	180	140	10	3	1979
55-632905	N/A	N/A	950	8	N/A	1979
55-632906	1	15	100	8	N/A	1979

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
5	2		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
17,000	1	6,000	1
3,000	1	1,500	1
		85	1

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Antelope Run Water Company	
Name of System	ADEQ Public Water System Number (if applicable) 02094

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS		
Size (in inches)	Material	Length (in feet)
2	PVC	1,000
3		
4	PVC	13,500
5		
6	PVC	15,000
8	PVC	100
10		
12		

CUSTOMER METERS	
Size (in inches)	Quantity
5/8 X 3/4	132
3/4	
1	4
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category for each system.

TREATMENT EQUIPMENT:

STRUCTURES:

Fences

OTHER:

Office Furniture and Equipment

Note: If you are filing for more than one system, please provide separate sheets for each system.

COMPANY NAME: Antelope Run Water Company	
Name of System	ADEQ Public Water System Number (if applicable) 02094

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2007

MONTH/YEAR	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)	GALLONS PURCHASED (Thousands)
JANUARY	160	883,220		
FEBRUARY	162	1,205,080		
MARCH	162	2,000,290		
APRIL	161	2,372,080		
MAY	165	3,027,300		
JUNE	162	3,512,760		
JULY	163	2,506,000		
AUGUST	163	2,158,160		
SEPTEMBER	164	2,230,010		
OCTOBER	163	2,298,510		
NOVEMBER	163	1,432,910		
DECEMBER	165	794,940		
TOTALS →		24,421,260		

What is the level of arsenic for each well on your system? <.001 mg/l

(If more than one well, please list each separately.)

If system has fire hydrants, what is the fire flow requirement? _____ GPM for _____ hrs

N/A

If system has chlorination treatment, does this treatment system chlorinate continuously?

() Yes

(X) No

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() Yes

(X) No

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() Yes

(X) No

If yes, provide the GPCPD amount: _____

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME Antelope Run Water Company YEAR ENDING 12/31/2007

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2007 was: \$ 3,058.32

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

**VERIFICATION
AND
SWORN STATEMENT**
Taxes

RECEIVED

APR 17 2008

BY GURP SUMAN
Director Auditor

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) Cochise
NAME (OWNER OR OFFICIAL) TITLE Nathan Watkins Manager
COMPANY NAME Antelope Run Water Company

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

Nathan Watkins
SIGNATURE OF OWNER OR OFFICIAL
(520) 458-3209
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 10th DAY OF

COUNTY NAME	Cochise
MONTH	APRIL
YEAR	2008

(SEAL)



MY COMMISSION EXPIRES

OFFICIAL SEAL
GINI ARTHUR
NOTARY PUBLIC - STATE OF ARIZONA
COCHISE COUNTY
My Comm. Expires March 28 2011

Gini Arthur
SIGNATURE OF NOTARY PUBLIC

COMPANY NAME Antelope Run Water Company YEAR ENDING 12/31/2007

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>2,570</u>
Estimated or Actual Federal Tax Liability	<u>0</u>

State Taxable Income Reported	<u>2,570</u>
Estimated or Actual State Tax Liability	<u>0</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u> </u>
Amount of Gross-Up Tax Collected	<u> </u>
Total Grossed-Up Contributions/Advances	<u> </u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.

Nathan Watkins
SIGNATURE

4-10-08
DATE

Nathan Watkins
PRINTED NAME

Manager
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED
APR 17 2008
AZ CORP COMMISSION
Director of Utilities

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Cochise
NAME (OWNER OR OFFICIAL) TITLE
Nathan Watkins Manager
COMPANY NAME
Antelope Run Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

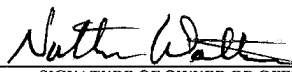
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2007 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 56,195 .

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 2,988
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(520) 458-3209

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

10th

DAY OF

COUNTY NAME Cochise	
MONTH <u>APRIL</u>	2008

(SEAL)



OFFICIAL SEAL
GINI ARTHUR
NOTARY PUBLIC - STATE OF ARIZONA
COCHISE COUNTY
My Comm. Expires March 28 2011


SIGNATURE OF NOTARY PUBLIC

MY COMMISSION EXPIRES

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE**
Intrastate Revenues Only

RECEIVED
APR 17 2008
AZ CORP COMM
DIRECTOR UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Cochise	
NAME (OWNER OR OFFICIAL) Nathan Watkins	TITLE Manager
COMPANY NAME Antelope Run Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2007

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2007 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 56,195

THE AMOUNT IN BOX AT LEFT
INCLUDES \$ **2,988**
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

Nathan Watkins
SIGNATURE OF OWNER OR OFFICIAL
520-458-3209
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

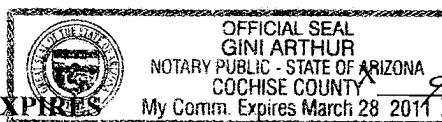
10th

DAY OF

NOTARY PUBLIC NAME GINI ARTHUR	
COUNTY NAME COCHISE	
MONTH APRIL	2008

(SEAL)

MY COMMISSION EXPIRES



Gini Arthur
SIGNATURE OF NOTARY PUBLIC